App. F. IX-4

Previous References
L. B. 45-36-Sh 10-11

1936.
(L. B.)

File No. 41-36
Serial Nos. 1, 2, 5, 8

Letter References.
L. B. 48-36-Sh 23, 24, 29, 30

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Four

Part B for Sep 37

SUBJECT.

Overdrawals by District Boards

Sep 8/37

preserve

To the Chief Engineer
No. L. 2630 Dy 10.9.37

WD 0418—GPB—22,500—29-8-36

Conveys instructions regarding execution of Dist Fund works and overdrawals by Dt Boards.

15.9.37

LB 41-36-1 5989

In reply please quote reference to No. 3405/S.L. Enc one.

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

Bangalore, dated 25th June 193 6.

FROM

A. N. RAGHAVACHAR, Esq., M.A.,
Comptroller to the Government of His Highness the Maharaja of Mysore,
Bangalore.

To

The Secretary to Government,
Development Department, Bangalore.

GEN. & REV. SECTN. 26 JUN L & A BRANCH

SIR,

Sale of 6½% 1941-51 Loan Bonds held on behalf of the District Board, Bangalore.

I have the honour to state that G.O.No. L6929-6931 L.B. 45-34-11 dated 12-3-1936 sanctioned the withdrawal of a sum of Rs.32,236-15-0 from out of the amount invested in 6¼% and 6½ per cent State Loan Bonds for meeting the outlay on the construction of the District Board Office building. The President, District Board, Bangalore in his letter No.S.R.129/35-36 dated 22-5-1936 wanted the bonds to the extent of Rs.56,350/- to be sold and when he was asked in this office letter No.3124/S.L. dated 26-5-1936 (copy enclosed) to obtain the sanction of Government for this increased sale of the loan bonds, he stated in his letter No. S.R.129/35-36 dated 10-6-1936 (copy enclosed) that further sanction is not necessary as a provision for the withdrawal of Rs.56,250/- has been made in the District Board Budget for 1935-36 which has been sanctioned by Government in G.O.No.L 2135-41/L.B.107-34-37 dated 12/18-9-1935. As the withdrawal of a sum of Rs.32,236-5-0 has been specifically sanctioned in a later Government Order on a reference made by the District Board President in his letter No.S.R.129/35-36 dated 8-2-1936 (read in the preamble of G.O.No.L6929-31/45-34-11 subsequent to the date of the Government order sanctioning the Budget, further sanction is necessary for the sale of bonds to the extent of Rs.56,250/-.

In this connection, I have the honour to intimate that quotations have been called for for the sale of 6½% loan bonds

nds of Rs.56,250/- in anticipation of formal Government sanction, as quotations so far received are not favourable the President been now requested to intimate if other loan bonds may not be ld if payment has to be made to Public Works Department before the lose of the year and intimate the fact to this office at once. President has not so far intimated the arrangements he has made meet the balance of the expenditure as the outlay on the construction to be met during current year amounts Rs.76,342/-.

I have the honour to be,

Sir,

Your most obedient servant,

A. Rajaratnam

Comptroller.

27/25/6

There seems to be much force in what the Comptroller states. But the total expenditure during on the work 35 36 is stated to be Rs 76,342 (it is learnt that it goes up to about Rs90,000) and hence selling of the bonds amounting to Rs 56,250/- may not meet the demand completely.

2nd appd. the Pdt, will be asked to state how he proposes to meet the entire outlay during 35-36

bg
9.7.36

The point for consideration is whether the sale of bonds amtng to Rs 56,250 requires the sanction of Govt. Only the withdrawal of this amount from out of the investment for meeting the purposes of the Board requires sanction in G.O. dated 17.9.1935 (18)

Flag D.

under para 287 of the Dist Board

Payment of bills due on account of the Dist Bd. Office building by the Dist Board

General & Revenue Secretariat. | File No. 5781/L of 193 | [App. F. III–2

Serial No.

accounts Manual, the disposal of the investment (bonds) requires previous sanction of Govt. The Comptroller's view in para 1 of the P. U. D. - is correct. Sanction will accordingly be given, if approved

A —

4 It is stated that the expe on the building upto the end of June 1936 is Rs 76342. No portion of this amount has yet been paid by the Dist Board. The bonds (6½%) have not yet been sold. But the Dist Board have made a provision of Rs 95000 in the Budget for 1935-36 for the Dist Bd Office building and this has been sanctioned by the Govt During the year 1936-37, the Board have made a provision of Rs 70,000 in this account - in the draft budget Estimates of the above Dist Board. The total amount provided by the Board if sold would then be Rs 25,000 + 70,000 or Rs 95,000/-. This could be adjusted - in a lumpsum, if the bonds are sold.

B

The Comptroller may perhaps be informed as above & requested to state what the amount of the final bill is & to make arrangements to sell the bonds early

Rs 24005 in ... this is not sufficient ... of the expe.

NOTE—Contn. Sheet.

5 A - may be approved.

6 B — This may be done.

10/7/36

10/7/36

Dev: Secy

5786

File No. 41 of 193 6-37 General and Revenue Secretariat

The President Dist Board maybe requested submit proposals within a week in consultation with the Conservator the Chief Engineer has no proposals to offer the case pending completion of this report enquiry.

MV. 14.1.36.

SS 14/1/36

Put with a draft letter for approval

SS 17/1/36

To

The President, Dt Bd, Bangalore.
No. L589 dated 14.1.36.
Calls for certain details.

Pdt. Dt Bd. Bgre.
No. SR. 129/35-36 dt 12.1.37.
Asks the details called for and states the question will be placed before the next meeting and their resolution sent to Govt for orders.

Details: The Pdt states that a revised estimate furnished by the Executive Engineer, Coorg Dn. amounts to Rs 1,37,665/- against which only Rs. 66,964-1-0 is now held by the Dt. Bd. How the Bd proposes to meet the balance of more

Put with KSV
The CCO should have attended to this matter before proposing an enquiry
SS 17/1/36

Sub A
22.1.36

Payment of bills due on account of the Dt Bd Office building — Bangalore Dt Bd.

5782 / 3398

General and Revenue Secretariat KB File No. 41 of 1936-37 [App. F. III—2

Serial No.

Rs. 60,000 is to be seen, in view of the fact that the former proposal of the Bd to withdraw a further sum of Rs 80,000/- from the deposits at their credit, was not then approved. The receipt of the resolution of the Bd will be awaited.

11 A copy of the letter received from the pdt will, if approved, be sent to the Comptroller for information.

28/1/37

Dy: Secy) 29/1/37

7 to 16 Lines Ltd, 1 Comm. Wks 2 Ins Workshop

Jnl 30/1/37

From the comptroller to Govt.

No. 685/WAD I. dt 25/28-1-37.

State that the State Hutz. Try Officer has been requested to to produce the balance of the R'bore Dt Bd by Rs. 34,431-15-11 towards the amount due by the Bd for the construction of the D.B.S. building. and also suggests that a suitable money limit may be fixed by the Distt Board up to which such overdrawals may be permitted.

12 The above letter since received from the Comptroller is subd for perusal.

13 The point raised by the Comptroller in para 3 of his letter will be dealt with separately.

NOTE—Contn. Sheet.

WD 0417—GPB—30,000—8-9-36

Payment of bills due on account of the above [redacted]
office buildings

3398 / 3519

B File No. 41 of 1936-7

General and Revenue Secretariat

Serial No.

perhaps, the copy of the letter received from the
Dr of Hs above may still be sent to the
Comptroller. Dft 2 letter is put up for appr.

30/1/37

Dr [illegible] 1/2 MW 6.2.37
13 - 8/2/37

5240
1/2

To Comptroller to Govt.
No. & S 838 Dy 9/10 - 2 - 37
Re copy of the letter from the Dr of Health
& the Comptroller and states that separate
orders will issue in the matter of fixing up a
suitable money limit as suggested by him.
Subs: para 3 of the Comptroller's letter of
no 5/28 th Jan. 1937 is for kind perusal. The
Comptroller suggests that a suitable money
limit may be fixed up to which the DBs.
may be permitted to over draw amounts
from the Govt, and also that their adjustment
cannot be
deferred till there are adequate financial
balances at the credit of the DBs.

17 Some data is necessary
on which the limit upto which
the District Boards may be permitted
to withdraw in respect of works executed

Limit up to which overdrafts may be permitted in respect of civil bds. for works executed on their behalf by the P.W.D.

General and Revenue Secretariat | L.P. File No. 3519/41 of 1936-37 | [App. F. III—2

Serial No.	
	by the P.W.D. for the Boards.
A	The comptroller may perhaps be requested to furnish figures showing the cost of the works executed by the P.W.D. in respect of each Civil Board during the last three years. An average of these figures may perhaps be adopted as the basis in this behalf
	The Legal Remembrancer may be consulted in the matter.

yes: after receipt of reply from the Comptroller
2
19/2

Sd/-
18/1/37

19 A - may be approved.
Sd/-
19/2/37

Secy:

5976/1912

20 Why should there be any overdrawal? Would not this purpose be served by laying down that the rules for the payment in instalments fall moneys due from Civil Boards to Govt. under an agreement for works or contributions. It may be laid down that the amount permitted under Legal should be exercised on dates fixed with reference to dates of collection during different months in year. For favour remarks

H. Secy
with compts

MW.
6.3.37

8/3/37

NOTE.—Contin. Sheet

WD 0417—GPB—80,000—8-9-36

21 As observed by the Development Secretary, it is not clear as to why there should be any overdrawal. According to the existing rules, (Vide article 255 M C A C Vol. I), "the District Board shall never, without the previous sanction of Government, exhaust its balance in the Treasury, and the Budget estimates should be so framed as to provide for an adequate working balance not falling short in any case of one-eighth of the total estimated income of the year."

22 It is also laid down in the same article that "Overdrawals should not ordinarily be permitted to occur, and Treasury Officers should not make any payment in excess of the balance at credit of the Local Body, unless they get a special order to that effect from the Audit Office or from Government."

23 The rules do not permit ~~for~~ overdrawals but only state that when an overdrawal occurs in exceptional cases, interest at 6 per cent (temporarily reduced to 4½%) should be charged. This cannot be taken to mean that the rules provide for overdrawals. The Comptroller's reference has been made on a misapprehension of the existing rules.

24 A general provision in the rules permitting overdrawals and fixing the limit up to which overdrawals can be permitted, and the period of overdrawal is not thus necessary and not desirable as this amounts

Serial No.

amounts to countenancing an irregular procedure.

25 An overdrawal should at once be brought to the notice of Government and the Local Body should take immediate action to cover the overdraft by obtaining if necessary a loan from Government, after convincing them of the need and justification for it, and if the overdrawal is due to mismanagement of the administration, Government should take suitable steps to bring the administration to a proper order.

26 Proper financial administration is a primary duty of Local Bodies and this includes keeping the expenditure within the income and having a favourable balance in the Banking account with the Treasury.

27 Para 179 of the District Board Accounts Manual lays down that " no work should be commenced until an estimate has been duly sanctioned and funds allotted, except in special cases under the special orders of Government or the District Board specifying the necessity for a departure from the rule and in such cases the estimates should be prepared with the utmost expedition and appropriation arranged for. Reference is also invited to paras 218 to 230 of the District Board Accounts Manual regarding the procedure to be adopted in respect of the execution of the District Fund Works by the Public Works Department of Government. According

NOTE—Contn. Sheet.

WD 0417--GPB—80,000—8-9-36

Serial No.

to para 220, "no work can be started without an estimate sanctioned by competent authority and without necessary appropriation of funds, and unless there are specific orders of Government authorising the execution of any work, the Public Works Department should obtain the concurrence of the District Board concerned before starting a District Fund work and debiting any expenditure to the District Board except as provided by standing orders."

8. The overdrawal in the present cases appears to be due to the fact that a large work was permitted to be undertaken by the Board, though its financial position did not quite justify it, and that prompt action was not taken for the provision of funds for the sanctioned work. If the expenditure programme is carefully formulated in accordance with rules and with due reference to the capacity of the Local Body, and if liabilities are not permitted to be incurred without previous sanction and provision of funds, there will be no need or occasion for overdrawals. The need for payment of Government dues in instalments, as suggested by the Development Secretary will not also arise. The present unsatisfactory financial condition of many Local Bodies is due to the deviation from the fundamental rule referred to above, and the suggestion of the Comptroller to insert a new rule in the Code providing for overdrawal up to a specified

General and Revenue Secretariat 2B File No. 41/5 of 1936-37 [App. F. III—2

Serial No.

FE 2227

limit, is not a remedy and is against the general fundamental rules with regard to expenditure by Local Bodies.

W 28/4

WD 28/4/37

29/4/37

29 Subs for orders whether the above note of the Hl. Sec'y. may be communicated to the Comptroller with reference to his letter ~~dated~~ No. 685/WADI dy 28/2-1-37. - Ref ce para 20 supra

29/4/37 para 30 Perhaps the file may be sent to the Comptroller WDS for note & return.

30/4/37

Dev: Secy)

37 WD

30/4/37

1/5/37

32 ~~Forwarded~~ with compliments unofficially to the Comptroller for kind note & return.

By order

1/5/37

for Dep Secy

Leo 232 dy 3.5.37

WADI

NOTE—Contn. Sheet.

WD 0417--GPB—80,000—8-9-36

Serial No.

No. 1005/Spl dated 18-5-37

U.O.No.999/W.A.D.I dated 14th May 1937.

Returned with compliments.

33 The papers are sent for note and return. But, as it appears that the reference of this office has not been clear, some further remarks seem called for.

34 At the outset, I may mention that there was no misapprehension of the existing rules and the reference has been made in the light of the actual results of the existing rules for the consideration and specific orders of Government.

35 As stated in Para 26 of the Financial Secretary's note, proper financial administration is a primary duty of the Local Bodies and an overdrawal on the balances at the Treasury is ordinarily irregular and should be exceptional and even then regularised with the specific prior sanction of Government (Article 255 M.C.A.C.Vol.I) But G.O.No.L.99-117/L.B.104-35-2 dated 4th July 1936 referred to in my letter No.685/WAD.I. dated 25/28th January 1937 lays down that if outlay incurred under Paras 476 and 477 of the P.W. Account Code by the P.W.D. results in an overdrawal, interest may be merely levied on such overdrawals. It is not clear from this order whether such overdrawals should not at all be ordinarily allowed at the treasury when the outlay has actually been incurred by the P.W.D. and debited to O.B.A. and if the overdrawals are allowed, whether they should be for an indefinite amount however large and for an indefinite period of time also. It was with

A

Serial No.

with the intention of keeping these overdrawals within strictly compatible limits in view of the straitened finances of the Local Bodies even when such overdrawals are specially sanctioned by Government in exceptional cases, the suggestion to prescribe definite limits both of time and amount in the individual orders of Government sanctioning such overdrawals was made. I may mention that the transactions of the Local Bodies at the treasuries are but banking accounts and it is usual and also facilitates control of expenditure to prescribe financial limits to the extent of overdrafts allowed in each individual case. No new general rule was intended to be proposed by this office. In the absence of definite limits both for amounts and periods of time in each individual case, it is not possible for audit to find out what the exact intention is in each case to issue suitable instructions to the Treasuries. I agree that such limits will not be a remedy against overdrawals nor were they proposed as such but they were meant to see that the permitted overdrawals were kept within the limits intended.

36 I may mention in this connection that this office reference No.584/WAD.1. dated 23rd December 1936 regarding the enforced reduction of Bangalore District Board balance by Rs.56,324-6-4 relates to the dues of the Board on account of District Fund Works carried out by the Bangalore P.W. Division and not the Buildings Division for the District Board Office. It would appear, as will be seen from the Executive Engineer's letter to the Superintending Engineer dated 17-11-36

re.

Note—Contn. Sheet.

Verdurs by the Bangalore Dist Board

3514

File No. 41 of 1937-38 | Comptroller's Office

	Serial No.
regarding the former class of works (copy enclosed) outlay incurred by the P.W.D. under paras 476-476A. sub rule 6 and 477 will cause overdrawals even ordinarily unless adequate balances are actually maintained by the District Boards in Treasuries to meet the outlay. Specific orders of Government are therefore requested in the matter.	

Comptroller.

Sub 5 for orders. The file may perhaps be sent to the Trial Court again for favour of opinion on the points referred to by the Comptroller above

Dev Secy

Fin. Secy

The Government order referred to at "A" was issued on a reference received from the Comptroller himself and cannot be taken as authorising overdrawals as a matter of course. My opinion in paras 21 to 26 of the notes still stands.

No Local Body should exhaust its balance. When it comes to a position when it has not got sufficient funds at credit to meet its obligations, it should set right its affairs and if necessary obtain a loan from Government in accordance with the prescribed rules.

FINANCIAL SECRETARIAT U.O.No. F.2142 10 JUN. 1937 BANGALORE.

COM-71-Q-250-26-4-37

Recd forwards by District Boards

3599

General and Revenue Secretariat | L3 File No. 41 of 1936. | [App. F. III—2

Serial No.

Subd with a draft letter for the Comptroller
4/8/37 If approved the file itself will be sent to the Comptroller for noting the opinion of the Financial Secy & returning the file early.

4.

for 4.8.37 A. May be sent U.O. to Comptroller for note and return for approval.

Leiry L.S.G.

2
6/8.

for 6.8.37

Forwarded with compliments to the Comptroller to the Govt. of Mysore for note and return.

By order.

Asst Secretary to Govt.

for Leiry to Govt.
L.S.G.

22-8-37
Posted 6.8.37

S.L.

116/Spl
7 1937

No. 158/Spl dated 23-8-37
U.O.No.115/WAD I dated 19-8-37

Returned with compliments after noting the remarks of the Financial Secretary. It is requested that suitable instructions in accordance with the Financial Secretary's remarks may be given to the Chief Engineer for communication to the Executive Engineers for guidance, in connection with their execution of local bodies' works.

P.T.O.

~~A statement showing the District board's balances held~~

~~in~~

NOTE—Contn. Sheet.

WD 0417—GPB—80,000—8-9-36

File No. of 193 17 | General and Revenue Secretariat

Serial No.

A statement showing the District Boards' balances held in the Treasury and the amount of dues to Government outstanding against each at the end of each year will be submitted in future to Government for information

Comptroller

Please put up compl- letter to Ch. Engineer.

24837

Dft letter to the Chief Engineer is put up for signature

2/31/9.

2-9-37

To,

The Chief Engineer in mysore.

No. L 2030 of 10-9-37

Conveys instructions regarding operation of Dt Fund works and overdrawals by Dt Bds

B 11/9

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. L 5899 & 11 Dated, Bangalore, 17th July 193 6

From

The *Secretary to the Government of His Highness the Maharaja of Mysore, Development Department.*

To

The President,

District Board, Bangalore

Sir, (Through the Deputy Commissioner, Bangalore District)

I am directed to forward herewith a copy of letter No. 3405/ S.L. dated the 25th June 1936 from the Comptroller in regard to the payment to the Public Works Department of the amount spent so far on the construction of the District Board Office building and to request you to be so good as to submit proposals within a week in consultation with the Comptroller and the Chief Engineer as to how you propose to adjust the cost of the building. Complete details in regard to the expenditure incurred and how the expenditure would be met may be kindly furnished.

The matter may be kindly treated as very urgent.

I have the honour to be,
Sir,
Your most obedient servant,

for Secretary to Government,
Development Department.

Appendix F (G—1]

SUBJECT.....

.....

.....

Section LB

File No. 41-36

Serial No. 2

Diary No. of letter replied to.....

No. L 5895.1)

To

The President

Distt Board, Nuwara

(Thro the D.C)

Sir,

I am directed to forward herewith a copy of letter no 3405/S.2 dated the 25th June 1936 from the Comptroller in regard to the payment to the P.W.D. of the amount spent by Sc Fds on the construction of the Distt Board Office building and to request you to be so good as to

General and Revenue Secretariat

( )

the 193 .

Date of issue 17.7.36

Signed by Mr. B. Ra

List of enclosures.....

Copied by .....

Examined by.....

submit proposals within
a week in consultation with
the Comptroller & the Chief Engr
as to how you propose to adjust
the ~~amount~~ cost of the building.
Complete details in regard to the
expenditure incurred and how the
expre would be met maybe
kindly furnished.

The matter may be kindly
treated as very urgent.

I have ack
17/7/36
Secy to Govt
for D.P.W.

memo no
Copy wde to the Comptroller
to/wt with refce to his letter
no 3405/8.2. dated 25.6.36.
& the Chief Engr for info.

B. O
17/7/36
for Secy to Govt
for D.P.W.

LB 41-36-5

In reply please quote reference to No. 584/WAD I

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

Bangalore, dated 23rd December *19*36.

3052 I

FROM

A. N. RAGHAVACHAR, ESQ., M.A.,
Comptroller to the Government of His Highness the Maharaja of Mysore,
Bangalore.

TO

M. Venkatanaranappa Esq., B.A.,
Secretary to the Government of Mysore,
Development Departments, Bangalore.

SIR,

I have the honor to enclose herein a copy of this office letter No. 586 dated 23rd December 1936 to the Treasury Officer State Huzur Treasury, Bangaloro, requesting him to reduce the balance of the Bangalore District Board by Rs 56,324-6-4 towards the amount due by the Board for District Fund Works carried out by the Division (P.W.D).

This was rendered necessary as the District Board failed to pay the amounts in spite of requisitions from the concerned Divisional Officer and this office No.400 WAD I dated 6-11-36.

I have the honor to be,
Sir,
Your most obedient servant,

A N Raghavachar
Comptroller

CV

Submitted for perusal. The amount perhaps represents the expenditure on the Distt Board Office Building referred in the linked file. The President has not replied in spite of reminders on the subject. Herein the emphasis has done the right thing under the circumstances of the case

12/1/37

Dev: Secy

12/1/37

25/1

20/1/37

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

In reply please quote reference to No. 286/Misc. 1

COMPTROLLER'S OFFICE, BANGALORE,
Dated the 23rd December *193* 6.

To
The Treasury Officer
State Huzur Treasury, Bangalore.

Sir,

I have the honor to request you to kindly adjust the sum of Rupees Fifty six thousand three hundred and twenty-four, annas six and pies four as per details noted in the margin, due from the President, District Board Bangalore, by reducing the balance in favour of the said administrator of the fund.

Outlay incurred on District Fund works in Bangalore Division to end of September 36	56,324-6-4

Should this result in an overdrawal, interest at 4½ % P.A. is to be levied on the overdrawal as laid down in G.O. No.L 99-117/L.B. 104-35-2 dated 4-7-36.

I have the honor to be,
Sir,
Your most obedient servant,

for Comptroller

OFFICE OF THE PRESIDENT,
DISTRICT BOARD, BANGALORE.

No. S R 129/35-36

Dated, Bangalore, 12th Jan. 1937.

3398
L

From

H. R. GURUV REDDY, Esq., B.A., LL.B.,
President, District Board,
BANGALORE.

REV. SECTT.
25 JAN. 1937
L.S.G. BRANCH.

To

M. Venkatanaranappa, Esqr, B. A.,
Secretary to
The Government of Mysore,
Development Departments,
B A N G A L O R E.

Through:-
The Deputy Commissioner, Bangalore District.

Sir,

With reference to your letter No. L. 589 dated the 17th July 1936 calling for proposals in regard to the adjustment of the cost of the District Board Office building, I have the honor to state that the Comptroller who was requested in this Office letter No. S. R. 129/35-36 dated the 27th July 1936 to intimate if the State Loan Bonds to the value of Rs. 56,250/- were sold and the proceeds credited to District Funds has intimated in his letter No. 473/S. L. dated the 18th August 1936 that a sum of Rs. 66,962-1-0 being the realisations of 6½% Loan Bonds of the face value of Rs. 56,250/- was credited to "17 (a) P. W. Deposits towards the cost of the building. . The Executive Engineer, Buildings Division has in his letter No. 227 dated the 10th August 1936 intimated that the total outlay incurred up to the end of July 1936 was Rs. 74,952-12-6 against which a sum of Rs. 66,964-1-0 has been adjusted leaving only a small balance of Rs. 7,983-11-6 to be paid.

The Executive Engineer, Buildings Division has in his letter No. 1177 dated 17th December 1936 now furnished a revised estimate of the building for Rs. 1,37,665/-. To meet the balance of the cost of the estimate, the Board had already proposed in their draft Budget for 1936-37 submitted to Government for sanction to withdraw a further sum of Rs. 80,000/- which was deleted by Government while sanctioning

sanctioning the Budget Estimates (vide para 3 of Government Order No. L. 1300-05/L. B. 113-35-8 dated 13th August 1936.)

Under these circumstances. the whole question will be placed at the next meeting of the Board and their decision submitted to Government for their orders.

I have the honour to be,
S i r,
Your most obedient servant,

P r e s i d e n t,
District Board.

COMMISSIONER'S OFFICE
6069
16. JAN. 1937
DIST.

Memo
Forwarded with Compliments

6062
20/1

In reply please quote reference to No. 685-A/WAD.I.

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

Bangalore, dated 25th January *1937*.

3519

FROM

A. N. RAGHAVACHAR, ESQ., M.A.,
Comptroller to the Government of His Highness the Maharaja of Mysore,
Bangalore.

REV. SCOTT
29 JAN. 1937
L & L BRANCH.

To

M.Venkatanaranappa, Esq., B.A.,
Secretary to Government,
Development Department,
Bangalore.

SIR,

I have the honour to enclose herein, copy of this office letter No.682 dated 22-1-1937 to the Treasury Officer, State Huzur Treasury, Bangalore requesting him to reduce the balance of the District Board, Bangalore by Rs.34,431-15-11 towards the amount due by the Board for the construction of District Board office in Bangalore, by the Buildings Division (P.W.D) Bangalore.

2. This was rendered necessary as the Board failed to pay the amount in spite of requisitions from the Divisional officer and the Audit office.

3. In this connection it may be stated that no money limit up to which, such overdrawal may be permitted is laid down in G.O.No. L.99-117/L.B.104-35-2 dated 4-7-1936. The financial condition of many of the local Bodies is not satisfactory and their resources are slender. The accumulation of unlimited liabilities against them may therefore make it difficult for them to repay the advances promptly. The interest levied will also be an additional burden on the Budget of the Local Bodies. I suggest therefore that a suitable money - limit may be fixed up to which overdrawal may be permitted in respect of works which are executed by the P.W.D. and cannot be deferred till there are adequate financial balances at the credit of the local bodies to meet them. I request that orders of Government may kindly be obtained on this point and intimated.

~~intimated.~~

intimated.

I have the honour to be
Sir,
Your most obedient servant,

Comptroller.

KR)

is to be levied on the overdrawal as laid down in Govt. Order No.L.99-117/L.B.104-35-2 dated 4-7-36.

I have the honor to be,
Sir,
Your most obedient servant,
Sd/- A.N.Raghavachar
Comptroller

CV

Copy.
P. Lingaraja Rao
Assistant Comptroller
Superintendent
W. & D. II
27/1/37

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

In reply please quote reference to No. ~~CC2/MD-1~~

COMPTROLLER'S OFFICE, BANGALORE,

Dated the 25th January *193*

The Treasury Officer,
State Huzur Treasury,
Bangalore.

Sir,

I have the honor to request you to kindly adjust the sum of Rs 34,431-5-11 (Rupees thirty four thousand four hundred and thirty one, annas five and pies eleven) due by the President, District Board, Bangalore for the Construction of District Board Office in Bangalore, by reducing the balance in favour of the said administrator of the Fund and intimation sent to this office.

Should this result in an overdrawal interest at 4½ percent per annum is

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. L 5838 *Bangalore, Dated,* 9th February 1937.

From

The *Secretary to the Government of His Highness the Maharaja of Mysore,*
Development Department.

To

The Comptroller to Government,
Bangalore.

Sir,

With reference to correspondence ending with your letter No. 685/A.Ab.I, dated 25/28th January 1937 in the matter of the adjustment of the amount due by the Bangalore District Board for the construction of the District Board Office building, I am directed to forward herewith for information a copy of the letter No. S.R. 129/35-36, dated 18th January 1937 received from the President, District Board, Bangalore on the subject. Separate orders will issue regarding the suggestion made by you in para 3 of your letter that a suitable money limit may be fixed up to

which

hich such overdrawals may be permitted etc., in the case of District Boards.

I have the honor to be,
Sir,
Your most obedient servant,

Secretary to Government,
Development Department.

P.T.O.2

Appendix F. G.–1]

SUBJECT.....

.....

.....

Section.

File No.

Serial No.

No. L 5838/encl,

To

The Comptroller to Govt.

Sir,

With reference to Correspondence ending with your letter No. 685/Lab dy 25/28.1.37 in the matter of the adjustment of the amount due by the P.W.D. for the Construction of the Post & Tel office building herewith for information, I am directed to forward a Copy of the letter No. SR. 129/35-36 dy 12.1.37 received from the Post & Tel. P.W.D. on the subject. Orders will issue regarding the suggestions made by you in para 3 of your letter dated

Diary No. of letter replied to.....

General and Revenue Secretariat.

( )

the 193 .

Date of issue 10.2.37

Signed by Mr Bentkrishnatha

List of enclosures.....

Copied by Separate

Examined by.....

a suitable money limit may be fixed
up to which such overdrawals may be
permitted etc, in the case of Distr Boards.
be considered by Govt. whose
decision will be communicated
to you in due course.

I have etc,

W.

Secy to Govt.
Dev. Dept

Letter No.795 dated 17-11-1936 from theExecutive Engineer, Bangalore Division, to the Superintending Engineer, Mysore Circle, Mysore.

I have the honour to state that a sum of Rs.63,081-15-0 being the outlay incurred on District Fund Works in the Bangalore Division is outstanding in the Objection Book Advances of this office, from a long time as per details noted in the margin. The President, District Board Bangalore who was addressed several times for the issue of a crossed cheque towards the dues has returned the bills sent by this office and has replied in his letter No. S.R.129/35-36, dated 24th September 1936 (copy enclosed herein) that as the balance at the credit of the Board has run short and a reference is submitted to Government to replenish the balance, it is not possible to make payment and that works need not be taken up if contractors cannot wait for payment in February 1937. In reply to Comptroller's letter No.304/WAD.1. dated 13th October 1936 also the President has replied that the funds at the dsiposal of the District Board do not permit of payment now and a cheque will be issued only in March 1937. Though a very heavy balance is outstanding it is not possible to defer Execution of Annual Repairs of works of roads and some other very urgent works though the amount under Objection Book Advance will further swell. This fact is also brought to the notice of the Comptroller.

June 1935.	Rs.6,486--3--2
June 1936	24,828--7--3
June 1936 (Final)	436-10--4
July 1936	7,144--0-11
August 1936	6,210--1-11
September 1936	11,218-14--9
October 1936	6,757--8--8
	Rs.63,081-15--0

Copy of the above is forwarded with compliments together with a copy of letter No.S.R.20/35-36 dated 21-10-36 received from the President, District Board Bangalore, to the Comptroller in Mysore, Bangalore in continuation of this office letter No.106 dated 21-10-36. If the delay in the payment by the District Board cannot be permitted till March 1937 (instructions may be issued) to the Treasury officer concerned, as per para 477 of Mysore Public Works Account Code for effecting needful adjustments.

Copy

P. Lakshmanna Rao
Assistant Comptroller
15/5 W-A D

F 2227

3946

3946
F

COMPTROLLER TO THE GOVERNMENT
NESS THE MAHARAJA OF MYSORE,

19th January 193 7.

M.A.,
Government of
the Maharaja of Mysore.
Bangalore.

., M.A.,
Government of Mysore,
present Department,
Bangalore.

REV. SECT.
2 FEB.
L & S BRANCH

ard, Bangalore, for the
istrict Board Office.
--:0:---

No.L.5838/L.S.41-56 dated 9th/10th
stment of the above account, I have
tment referred to in my letter No.
/L.S.1. dated the
nuary 1957 resulted in the deficit
to debit credit of the District Board, in the Treasury and on
ation from the President, the State Sugar Treasury Officer has
ed to encash the cheques of the District Board charging
on the overdrawals until further instructions from this
. I request to be furnished before that orders of Government as to the
, limit or the limit up to which the Bangalore District Board
be allowed overdrawals, may be kindly intimated early.

I have the honour to be,
Sir
Your most obedient servant.

A. Nagaraj
Comptroller.
19/2/57

Mrs
22.1.1957

Letter No.3124/S.L. dated 26-5-1936 from the Comptroller to the Government of Mysore, to the President, District Board, Bangalore.

With reference to your letter No.S.B.129/35-36 dated 22-5-1936 regarding the sale of the State Loan Bonds of the face value of Rs.56,350/- out of the bonds held on behalf of the District Board, Bangalore, I have the honour to state that Government have in their order No.16929-31/L.B.45-34-11 dated 12-3-1936 sanctioned the sale of the bonds only to such an extent as would bring a sum of Rs.32,236-15-0 to meet the outlay incurred on the construction of the District Board Office Building to end of December 1935. But, as the face value of the bonds now asked to be sold is 56,350, it is requested that formal sanction of Government to sell bonds to this extent, may kindly be obtained and communicated.

2. If the total expenditure to be met during the current year is Rs.76,342, as stated by you, even the sale of the bonds of the face value of Rs.56,250, will not fetch more than about Rs.65 to 66,000. Hence it may be intimated whether the balance would be met out of the District Funds, service balance or whether bonds for more than the face value of 56,350, have to be sold. In that case sanction of Government to sell the bonds to such an extent as would bring a sum of Rs.76,342, will have to be obtained.

3. Information as to the percentage of the bonds (6¼% or 6½% Bonds) which are to be sold now may also be furnished as called for already in this office letter No.2644/S.L. dated 9-4-1936.

The favour of an immediate reply in the matter is requested.

Letter No.S.B.129/35-36 dated 10-6-1936 from the President, District Board, Bangalore, to the Comptroller to Government, Bangalore.

With reference to your letter No.3124 dated 26-5-1936 requesting me to obtain formal sanction of Government to sell the Mysore State Loan Bonds of the face value of Rs.56,250/- out of the bonds held on behalf of the District Board to meet the outlay incurred on the construction of the District Board building &c, I have the honour to state that the withdrawal of a sum of Rs.56,250/- was proposed in the Budget of 1935-36 and the same has been sanctioned by the Government and included in the Budget and as such, I think it is not necessary to approach

approach Government again for the withdrawal of this amount.

I request that arrangements may be made to sell away 6½% State Loan Bonds of the face value of Rs.56,250/- or as many bonds as would fetch a sum of Rs.56,250, may be sold and amount got credited to District Funds. As the Executive Engineer, Building Division is urging for payment, I request that arrangements may be made to take immediate action so that the bills of the Public Works Department may be duly paid. Bonds of 6½% may be arranged to be sold.

"Copy".

Superintendent, S.[illegible] Section.

23/26/6

Appendix F G—1]

SUBJECT .....

.....

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Section L B
File No. 41-36
Serial No. 8

Diary No. of letter replied to.....

No. L 2630

To

The Chief Engineer

Sir,

General and Revenue Secretariat

( )

the *193* . (3)

Date of issue 10-9-37

Signed by H.W. H.S.H.

I am directed to refer to your No. L-99-117/L.B. 104-35-2 of 4.7.36 directing that the interest on overdrawals by the Dr. Boards in respect of amounts overdrawn in adjusting the outlay on works of the Boards by the P.W.D. be reduced to 4½ p.c. temporarily, and to state that it must not be understood to mean that the rules provide for overdrawals as a general rule. On the contrary, Govt. regard overdrawal as an irregular proceeding and have only laid it down that when an overdrawal occurs in exceptional cases, the interest charged shall be at 6 per cent

List of enclosures.....

Copied by .....

Examined by.....

(now temporarily reduced to 4½%).

2. Para 179 of the Dr. Bd Accts manual lays down that "no work should be commenced until an estimate has been duly sanctioned and fund allotted except in special cases under the special orders of Govt or the Dr. Bd. specifying the necessity for a departure from the rule and in such cases the estimates should be prepared with the utmost expedition and appropriation arranged for. Reference is also invited to paras 218 & 220 of the Dr. Bd. Accts. manual regarding the procedure to be adopted ~~by the P.W.D.~~ in respect of the executing of the Dr. Fund works by the P.W.D. According to para 220 " no work can be started without an estimate sanctioned by Competent authority and without necessary appropriation of funds, and unless there are specific orders of Govt. authorising the execution of any work, the P.W.D should obtain the Concurrence of the Dr. Bd concerned before starting a Dr. Fund work and

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

debiting any expenditure to the Dt. Bd except as provided by ~~the~~ standing orders".

3. In the case of the Dt. Bd Bangalore, the overdrawal that occurred on account of the Construction of the new Bridge appears to be due to the fact that a large work was permitted to be undertaken by the Board, though its financial position did not quite justify it, and that prompt action was not taken for the provision of funds for a sanctioned work. If the expenditure programme is carefully regulated in accordance with rules and with due reference to the capacity of the local Body, and if liabilities are not permitted to be incurred without previous sanction and provision of funds

WD 0186—GPR—15,000—6-9-34

there will be no need or occasion for ~~such~~ renewals.

If the local Body should exhaust its balances, ~~out~~ when it comes to a position when it has not got sufficient funds at credit to meet its obligations it should set right its affairs and if necessary obtain a loan from Govt. in accordance with prescribed rules.

I am to request that ~~it~~ suitable instructions in accordance with the above remarks may be communicated to the Ex: Engineers for guidance in connection with the execution of ~~local Bodies~~ the works of Rural Roads Scheme etc.

Yours etc.

Sd/-

for Secy to Govt. L.S.G Dept

No. L 2631-8/ dt 10.9.37

Memo: Copy forwarded with compliments of this Compliments to Govt for information with reference to his U.O. note No 158/8/pl dt 23.8.37. of the Rural Roads Development Scheme

Sd/-

for Secy to Govt

~~Secretary~~.

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. L2630/1 B. 4-36-8 **General and Revenue Secretariat,**

Dated Bangalore, 10th September 1937.

FROM

The *Secretary to the Government of His Highness the Maharaja of Mysore.*
Local Self Government Department.

To

The Chief Engineer in Mysore,
Bangalore.

SIR,

Adverting to Government Order No.L.SG-117/L.S. 1-4-36-2 dated 8th July 1936 directing that the interest on overdrawals by the District Boards in respect of amounts overdrawn in adjusting the outlay on works of the Boards by the Public Works Department be reduced to 4½ per cent temporarily, I am directed to state that it must not be understood to mean that the rules provide for overdrawals as a general rule. On the ~~outlay~~ contrary, Government regard overdrawal as an irregular procedure, and have only laid it down that when an overdrawal occurs in exceptional cases, the interest charged shall be at 5 per cent (now temporarily reduced to 4½).

2. Para 179 of the District Board Accounts Manual lays down that the work should be commenced until an estimate has been duly sanctioned and funds allotted except in special cases under the special orders of Government or the District Board specifying the necessity for a departure from the rule and in such cases the estimates should be prepared with the utmost expedition and appropriation arranged for. Reference is also invited to paras 213 to 220 of the Manual and instructions issued regarding the procedure to be adopted in respect of the execution of the District Fund works by the Public Works Department. According to para 220 the work can be started without an estimate sanctioned by competent authority and without

necessary

necessary appropriation of funds, and unless there are specific orders of Government authorising the execution of any work, the Public Works Department should obtain the concurrence of the District Board concerned before starting a District Fund work and debiting any expenditure to the District Board except as provided by standing orders".

3. In the case of the District Board Bangalore, the overdrawal that occurred on account of the construction of the new office building appears to be due to the fact that a large work was permitted to be undertaken by the Board, though its financial position did not quite justify it, and that prompt action was not taken for the provision of funds for a sanctioned work. If the expenditure programme is carefully regulated in accordance with rules and with due reference to the capacity of the Local Body, and if liabilities are not permitted to be incurred without previous sanction and provision of funds, there will be no need or occasion for overdrawals.

4. No Local Body should exhaust its balance when it comes to a position when it has not got sufficient funds at credit to meet its obligations and it should set right its affairs and if necessary obtain a loan from Government in accordance with prescribed rules.

I am to request that suitable instructions in accordance with the above remarks may be communicated to the Executive Engineers for guidance in connection with the execution of the works of Local Bodies.

I have the honor to be,
Sir,
Your most obedient servant,

Sd/- P.N.Krishna Rao
Secretary to Government
L.S.G. Department.

c.c.12

Memo No. L 2631-8 dt 10.7.37

Copy of the above is forwarded with compliments to the Presidents of District Boards through the respective Deputy Commissioners.

By Order,

For Secretary to Government
L.S.G. Department.

Rmr

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. L2630/LB.41-36-8 General and Revenue Secretariat,

Dated Bangalore, 10th September 1937.

FROM

The *Secretary to the Government of His Highness the Maharaja of Mysore.*
Local Self Government Department.

To

The Chief Engineer in Mysore,
Bangalore.

SIR,

Adverting to Government Order No.L.99-117/L.B. 104-36-2 dated 4th July 1936 directing that the interest on overdrawals by the District Boards in respect of amounts overdrawn in adjusting the outlay on works of the Boards by the Public Works Department be reduced to 4½ per cent temporarily, I am directed to state that it must not be understood to mean that the rules provide for overdrawals as a general rule. On the contrary, Government regard overdrawal as an irregular procedure, and have only laid it down that when an overdrawal occurs in exceptional cases, the interest charged shall be at 6 per cent (now temporarily reduced to 4½).

2. Para 179 of the District Board Accounts Manual lays down that no work should be commenced until an estimate has been duly sanctioned and funds allotted except in special cases under the special orders of Government or the District Board specifying the necessity for a departure from the rule and in such cases the estimates should be prepared with the utmost expedition and appropriation arranged for. Reference is also invited to paras 213 to 225 of the District Board Accounts Manual regarding the procedure to be adopted in respect of the execution of the District Fund Works by the Public Works Department. According to para 220. No work can be started without an estimate sanctioned by competent authority and without

necessary

necessary appropriation of funds, and unless there are specific orders of Government authorising the execution of any work, the Public Works Department should obtain the concurrence of the District Board concerned before starting a District Fund work and debiting any expenditure to the District Board except as provided by standing orders".

3. In the case of the District Board Bangalore, the overdrawal that occurred on account of the construction of the new office building appears to be due to the fact that a large work was permitted to be undertaken by the Board, though its financial position did not quite justify it, and that prompt action was not taken for the provision of funds for a sanctioned work. If the expenditure programme is carefully regulated in accordance with rules and with due reference to the capacity of the Local Body, and if liabilities are not permitted to be incurred without previous sanction and provision of funds, there will be no need or occasion for overdrawals.

4. No Local Body should exhaust its balance when it comes to a position when it has not got sufficient funds at credit to meet its obligations and it should set right its affairs and if necessary obtain a loan from Government in accordance with prescribed rules.

I am to request that suitable instructions in accordance with the above remarks may be communicated to the Executive Engineers for guidance in connection with the execution of the works of Local Bodies.

I have the honor to be,
Sir,
Your most obedient servant,

Sd/- P.N.Krishna Rao
Secretary to Government
L.S.G. Department.

C.C.12

Memo No.

Copy of the above is forwarded with compliments to the P.D.B.s of all Districts thro D.Cs.

By Order,

Mir Sajan Murra

for Secretary to Government
L.S.G.Department.

Rmr